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REORGANIZATION OF GOSPLAN USSR
AND IMPROVEMENT OF NATIONAL ECONOMIC PLANNING

Planovoye Khozyaystvo, No 3
Moscow, May-Jun 1955

By virtue of a decree of the Presidium of the Supreme Soviet USSR of 25 May 1955, the State Planning Committee of the Council of Ministers USSR has been reorganized into: a State Commission of the Council of Ministers USSR for Long-term National Economic Planning (Gosplan USSR) and a State Economic Commission of the Council of Ministers USSR for Current National Economic Planning (Gosekonomkomissiya USSR). This reorganization, which is predicated on the task of bringing about a radical improvement in the field of long-term national economic planning, meets the new increased demands being made upon the planning organizations by the existing scale of national economy and the new tasks confronting it, and is designed to contribute to an improvement in state planning as a whole.

The tremendous industrial strides and higher technological level achieved in the USSR, the increasing complexity of the economic relations between branches of the economy and the country's [territorial] regions, the tasks demanding extensive development of the national economy, the rapid technological progress in all its branches, and, on that basis, a further rise in the material prosperity of the workers -- are confronting national economic planning with new and greater demands, particularly in the field of long-term planning. However, the level of state planning and the activities and organization of Gosplan USSR have lately failed to correspond to the increased scope and the new tasks of the national economy. The reorganization of Gosplan USSR, decided upon by the party and the government, is aimed at the elimination of defects in the work of the planning organizations and at improving planning operations generally.

The division of Gosplan USSR into a state planning commission for long-term planning and a state economic commission for current planning makes it possible to separate long-term planning from current planning, so as to bring about a radical improvement in the former. At the same time, the reorganization is creating the conditions necessary to achieve a proper combination of both current and long-term planning, inasmuch as the two organs -- Gosplan USSR and Gosekonomkomissiya USSR -- must complement one another and coordinate their work.

The function of Gosplan USSR consists of the drafting of the 5-year national economic plans, and of longer range -- 10 to 15 year -- plans encompassing the economy as a whole as well as its individual branches. It must ensure correct proportionality in the development of individual economic branches, and work out a plan for the effective distribution of productive capacities. The drafting of long-term plans must provide the Soviet people with a clear perspective of moving forward on the road to Communism, and indicate when the USSR starts to overtake the capitalist countries in per-capita production in a given industry. The working out of concrete, scientifically based means of resolving this basic economic goal of the USSR is one of the most important responsibilities of Gosplan USSR.

Gosekonomkomissiya USSR is charged with the drafting of the annual national economic plans and material-technical supply plans, broken down into quarterly periods. It must draft the annual plans in such a way so as to ensure fulfillment of the 5-year plan goals, the correct proportionality in the development of the various branches of the national economy,

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and large-scale introduction of advanced technology and industrial organization by utilizing the achievements of science and technology both domestic and foreign. Gosekonomkomissiya is called upon to ensure the most efficient utilization of all material, technical, and labor resources toward the fulfillment of plans for national economic development.

The reorganization will enable Gosplan USSR to concentrate its efforts on 5-year and longer range planning, as well as on large-scale national economic problems of a long-term nature.

Soviet economic planning must reflect the requirements of the objective laws of socialism and, primarily, of the basic economic law of socialism and the law of the proportionate development of the national economy. The objective economic laws of socialism, on which the Communist Party and the Soviet government base its administration of the national economy, serve to bring out the importance of long-term planning along with current planning, inasmuch as the socialist economy is pursuing its proportionate development in accordance with the scientifically founded historical task of building a Communist society. Soviet plans do not represent prognostications, or guesswork, but are plans -- directives covering a number of years. Therefore, the work of national economic planning can be successful only if it is accompanied by scientifically worked-out plans, pursuant to the dictates of the objective economic laws of socialism, which mobilize the creative activities of the masses for the purpose of resolving the long-term economic-political tasks posed by the Communist Party.

The entire history of socialist construction in the USSR has demonstrated the mobilizing and the organizing force of the 5-year plans, which help to resolve the most important economic-political tasks at each stage in the process of building socialism and Communism in the USSR. A further development and improvement in long-term planning to conform to the present-day increased scope and new tasks of the national economy of the USSR, call for a decidedly higher economic and scientific-technical level of work. Gosplan USSR must ensure a thoroughgoing, scientifically founded drafting of the 5-year national economic plans that will provide for the widespread introduction of advanced technology in all fields of production, as well as for improved technological processes and organization of production and labor, thereby bringing about a rapid rise in labor productivity and lower production costs. Gosplan USSR must undertake a thorough study of scientific and technical accomplishments both at home and abroad, anticipate further technological developments, and bring them into focus in the long-term plans, with a view to the highest possible increase in labor productivity and continuous growth of socialist production consistent with the steadily expanding wants of socialist society. The 5-year plans must be drawn up for ministries, union republics, and economic regions, with a breakdown into annual goals, and with corresponding balance estimates and base data.

The most important work facing Gosplan USSR, the ministries, and the planning organs of the union republics, at present, is the drafting of the Sixth Five-Year Plan. The Sixth Five-Year Plan will represent a new great step on the road to resolving the basic economic tasks of the USSR and the building of Communism. The fulfillment of this plan will mean a further great increase in the economic power of the USSR, based on the predominant development of heavy industry and technological progress in all branches of production. It will also mean the implementation of the program of the Communist Party for a steep rise in agricultural production, a further significant increase in the production of consumer goods, and a rise in the material and the cultural standard of living of the workers.

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In drafting the new 5-year plan, Gosplan USSR, the ministries, and re-public planning organs must concentrate on the tasks of introducing new techniques in all branches of industry, and on the wide dissemination of advanced production methods, including the achievements of innovators, as well as on increasing labor productivity and reducing production costs. This calls for a careful study and the bringing into play of the great internal reserves hidden in the national economy. One of the most important tasks in connection with increasing labor productivity is the expanded mechanization of labor-consuming operations; the introduction of complex mechanization into production processes in industry, construction, and agriculture; and the further development of automatization in a number of branches of industry.

At present, when the Soviet nation, under the leadership of the Communist Party, is solving the problems connected with the gradual transition from socialism to Communism, exceptionally great importance is attached, in addition to the 5-year plans, to the drafting of long-term plans for individual branches and the national economy as a whole designed for longer periods of 10 to 15 years. This work calls for a profound scientific analysis of the direction and the prospects characterizing the development of production techniques and technology in the various branches of the economy, and of the level and dynamics of production with respect to basic types of output, primarily metals, electric power, the most important types of fuel, cement, and machine building, in relation to per-capita production in the USSR and in the chief capitalist countries. Long-term planning calls for Gosplan USSR to work out a series of important national economic problems related to the further development, and utilization in industry of the latest achievements in the fields of science and technology, along with the most efficient utilization of the rich natural resources of the country.

The sine qua non of economic planning is the correct territorial disposition of industry. Gosplan USSR must plan an efficient distribution of productive capacities, taking into consideration the complex developmental needs of economic regions, the necessity of moving enterprises closer to the sources of raw materials and consuming regions, as well as the importance of eliminating long-distance and cross hauls. A planned dispersal of productive capacities is one of the most important advantages of the socialist form of economy that make possible the utmost efficiency in the utilization of the country's natural wealth and its material and labor resources. During the period covered by the 5-year plans, the USSR has witnessed a decided improvement in the territorial disposition of industry, the establishment of mighty industrial bases in the country's eastern regions, the elimination of economic backwardness of the national republics, and the contradictions between agrarian and industrial regions. However, there still remain some defects in the disposition of enterprises, necessitating excessively long hauls, cross hauls, etc. These defects must be overcome through a comprehensive development of the country's economic regions and by moving enterprises closer to raw material sources and consuming regions. These tasks cannot be resolved by current planning alone, since they involve the construction of new large-scale enterprises and the further development of the transportation network, as well as the placing of interregional economic relations on a rational footing. All these questions must be reflected in both the 5-year and longer-term national economic plans. Therefore, a decided improvement in planning the distribution of productive capacities, founded on a sound economic basis, is one of the main tasks confronting Gosplan USSR.

In a speech before the All-Union Conference of Industrial Workers, N. S. Khrushchev has pointed out that the USSR must plan for industry not only on a nation-wide scale but also by individual economic regions. In this connection, the working out of a series of comprehensive problems related

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to the development of individual economic regions, and territorial changes in the distribution of a number of national economic branches, are of the utmost importance. Among such problems are: those concerned with the construction of large hydroelectric power stations, the establishment of new industrial complexes to expand the utilization of natural resources, prospects of the further development of the metallurgical industry in the country's eastern regions, the distribution of agricultural production according to the country's geographic and economic zones, and a number of other problems connected with the disposition of industry and the over-all development of economic regions and union republics.

An important task is to ensure proper specialization on the part of enterprises, and large-scale cooperation between enterprises whether under the jurisdiction of the same ministry or of different ministries, particularly within the confines of the country's basic economic regions. Such specialization and cooperation on the part of enterprises will contribute to a more complete utilization of the productive capacities of enterprises, to an improvement in production techniques, and to the elimination of excessively long hauls and cross hauls. These tasks must be resolved through a combination of long-term and current planning.

The national economic plans must be drafted in such a manner as to take into account the tasks of further strengthening economic cooperation between the USSR and the People's Democracies, and coordination of the national economic plans and mutual assistance in the economic development of countries in the democratic camp.

The scientific method of drafting any national economic plan, annual or long-term, presupposes a sound economic basis built on a system of material balances, financial balances, and an over-all national economic balance. The significance of the balance method for planning purposes lies in the fact that it affords an opportunity of anticipating the necessary proportionality between the volume of production and the ever-growing material and cultural wants of society, of determining the actual proportions essential to the development of individual branches of the economy, and of promptly bringing to light any disproportions in the economy. Gosplan USSR is charged with the duty of ensuring, in the long-term plans, correct proportionality in the development of individual branches of the national economy -- industry, agriculture, and transport, extractive, and processing industry -- with particular emphasis on the production of the means of production; as well as correct proportionality between production, [capital] accumulation, and consumption. Gosplan USSR must plan the stockpiling of material reserves which are essential to an uninterrupted and unimpeded development of social production as a whole. The task ahead is to raise the economic level of balancing operations both in Gosplan USSR and in Gosekonomkomissiya USSR, to eliminate the defects in this important economic sector, and to ensure a genuinely scientific drafting of a system of material, labor, and financial balances, as well as of planning balances for the national economy as a whole.

An important place in the work of Gosplan USSR and Gosekonomkomissiya USSR must be assigned to the systematic checking of plan fulfillment and prompt measures to ensure such plan fulfillment. National economic planning, as is known, is not confined to the drafting of plans alone, but includes the organization of their implementation and systematic supervision over fulfillment progress both as to individual goals and the plan as a whole. Only through the checking of plan fulfillment is it possible to prevent violations of planned goals and the emergence of disproportions in one or another sector of the economy, and to discover and bring into action additional reserves for the successful fulfillment of national plans.

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Gosplan USSR must check on the fulfillment of long-term national economic plans and the coordination of annual national economic draft plans with the long-term plan. The most important task of Gosekonomkomissiya is to check on annual plan fulfillment, reveal new reserves within the economy, work out problems affecting annual plan fulfillment, and submit proposals concerning the utilization of additional material resources uncovered in the course of plan fulfillment. As stated by N. S. Khrushchev in his speech before the All-Union Conference of Industrial Workers, in the implementation of current planning it is necessary to display maximum flexibility and a creative approach. This becomes necessary, because even the most ideally drafted plan will undergo corrections in the process of its fulfillment, brought about by the growing creative initiative and activity on the part of the workers engaged in the execution of the planned goals. Therefore, a correct, workable, and creative approach to current planning will be of great importance from the standpoint of long-term planning, as well as from the standpoint of reflecting in the long-term plans all the existing national-economic reserves and any additional resources that may be uncovered in the course of plan implementation.

In connection with the reorganization of Gosplan USSR and the need to improve long-term national economic planning, new and increased demands must be made on the state statistical organizations to overcome in the shortest possible time the serious defects in their work. Up to the present, the Central Statistical Administration has focused its attention primarily on current statistics, without preparing adequate over-all figures to cover longer periods, thereby being of little help in the matter of long-term planning. This organization must improve its work considerably, first of all, in the field of long-range economic analysis of statistical data, and in working out national-economic accounting balances, as well as the data used in comparative analysis of the economies of the USSR and the capitalist countries.

The task of bringing about a radical improvement in long-term planning is also confronting the Soviet scientific institutions, especially those which are active in the fields of technology, agronomy, and economics. Soviet plans are scientific plans; they follow the requirements of scientifically proven economic laws and must fully take into account the latest scientific and technological achievements as well as the experience of innovators in industry. In addition, they are based on the advanced norms of productive capacity utilization, and on a system of physical [material] and synthetic balances. The task confronting Gosplan USSR is to make a thorough study of, and incorporate in the plans, the latest scientific and technological achievements at home and abroad, and requires, on a scale greater than before, the enlistment of the scientific institutions in the work of national economic planning, particularly of the Academy of Science USSR and its institutes, and of scientists and specialists in the various branches of science. It is necessary to improve radically and expand the work in the field of economic studies, particularly with regard to such questions as the means and the time required to resolve the basic economic task facing the USSR, improved (regional) disposition of industry and the comprehensive economic development of basic economic regions and union republics, discovery and utilization of growth potentials in the field of social labor productivity, and a number of other important economic problems and problems of methodology in the matter of national economic planning.

The reorganization of Gosplan USSR should contribute to an improvement of national economic planning as a whole, and to a more effective utilization of the USSR's physical and labor resources in the interests of further increasing the economic power and building a physical and industrial base for Communism in the USSR.

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